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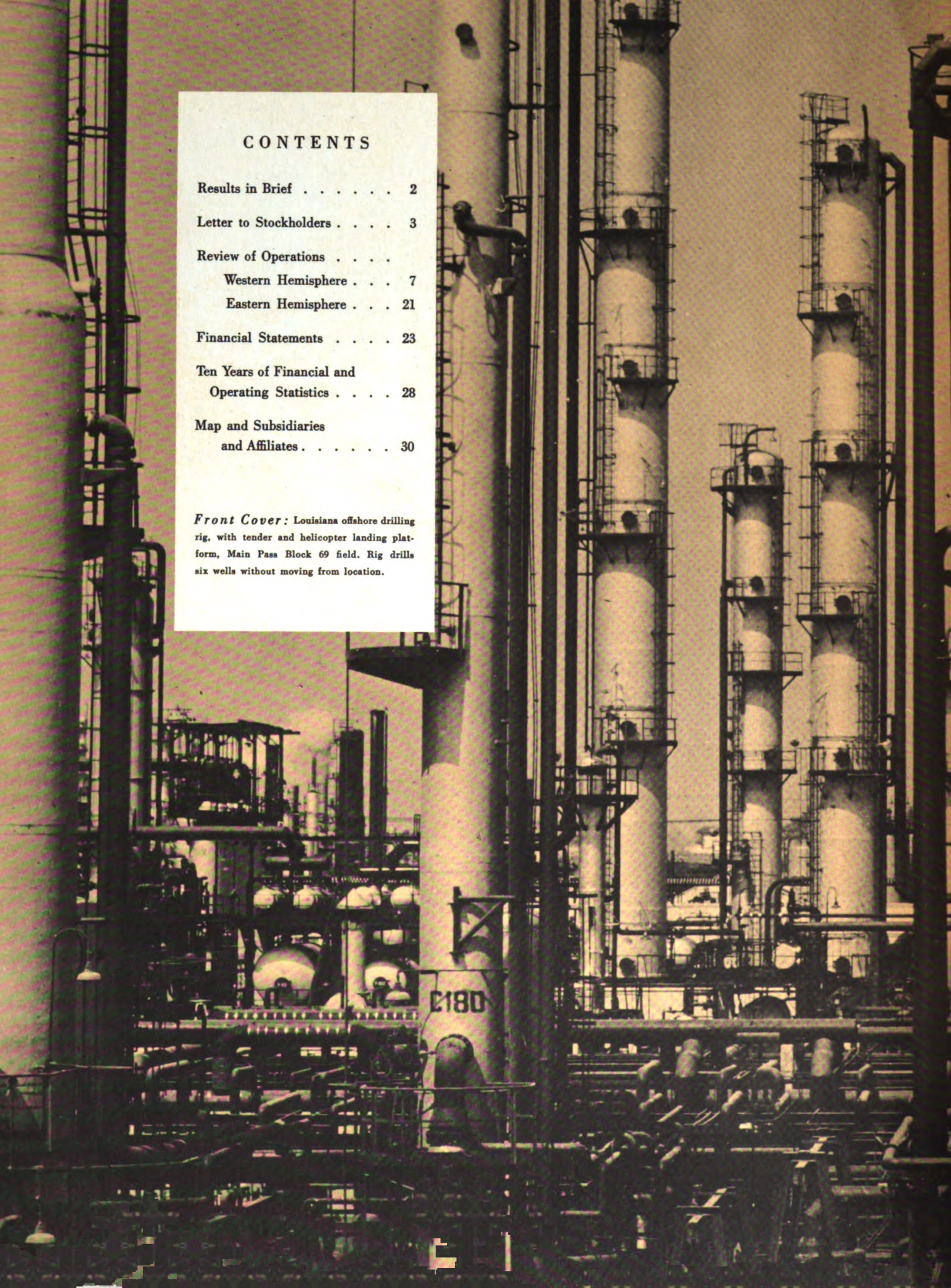
ANNUAL REPORT 1955

STANDARD OIL COMPANY OF CALIFORNIA

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Front Cover: Louisiana offshore drilling rig, with tender and helicopter landing platform, Main Pass Block 69 field. Rig drills six wells without moving from location.



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ANNUAL REPORT

STANDARD OIL COMPANY OF CALIFORNIA

Directors and Officers

R. G. FOLLIS *Chairman of the Board, Director*
T. S. PETERSEN . . . *President, Director*
HILLYER BROWN . *Vice-President, Director*
ASA V. CALL *Director*
H. D. COLLIER *Director*
G. A. DAVIDSON . *Vice-President, Director*
T. L. LENZEN . . . *Vice-President, Director*
GAGE LUND *Vice-President, Director*
ATHOLL McBEAN *Director*
E. J. McCLANAHAN *Vice-President, Director*
ROBERT W. MILLER *Director*
G. L. PARKHURST . *Vice-President, Director*
PAUL PIGOTT *Director*

W. H. BEEKHUIS *Vice-President*
K. H. CRANDALL *Vice-President*
W. W. DAVISON *Vice-President*
P. L. FAHRNEY *Vice-President*
F. M. JAYNE *Vice-President*
O. N. MILLER *Vice-President*
G. J. O'BRIEN *Vice-President*
E. R. PETERSON *Vice-President*
J. E. TOUSSAINT *Vice-President*
H. G. VESPER *Vice-President*
G. M. FOSTER *Secretary*
H. C. JUDD *Treasurer*
G. F. GEPHART *Comptroller*
J. P. BOWMAN *Assistant Secretary*
W. L. GREEN *Assistant Secretary*
H. L. SEVERANCE . . . *Assistant Secretary*
J. S. TATE *Assistant Treasurer*

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	1955	1954
<i>Gross Income</i>	\$1,376,557,620	\$1,228,994,565
<i>Net Income—Western Hemisphere</i>	\$ 140,825,808	\$ 112,636,671
<i>Eastern Hemisphere</i>	90,312,847	99,235,776
<i>Total</i>	\$ 231,138,655	\$ 211,872,447
<i>Net Income Per Share</i> (31,612,193 shares)	\$7.31	\$6.70
<i>Equity in earnings retained by Eastern Hemisphere affiliates (not included above)</i>	\$ 20,776,554	\$ 9,461,721
<i>Capital and Exploratory Expenditures</i> .	\$ 346,638,097	\$ 281,444,263
<i>Total Assets</i>	\$1,855,610,313	\$1,677,848,857
<i>Liabilities and Reserve</i>	328,389,092	291,445,738
<i>Stockholders' Equity—at book value</i> . .	\$1,527,221,221	\$1,386,403,119
<i>Per Share</i> (31,612,193 shares) . .	\$48.31	\$43.86
<i>Dividends: In cash</i>	\$ 90,320,553	\$ 87,064,496
<i>In stock</i>	5%	5%

Production—Refining—Sales:

Barrels Daily

Gross Production of Crude Oil and Natural Gas Liquids		
Western Hemisphere	365,845	336,323
Interest in Eastern Hemisphere . . .	357,489	325,574
Total World-Wide	723,334	661,897
Refinery Runs of Crude Oil		
Western Hemisphere	462,187	430,329
Interest in Eastern Hemisphere . . .	230,323	221,626
Total World-Wide	692,510	651,955
Sales of Petroleum Products		
Western Hemisphere	492,613	433,808
Interest in Eastern Hemisphere . . .	217,106	203,587
Total World-Wide	709,719	637,395

RESULTS IN BRIEF

ANNUAL REPORT 1955

To the Stockholders of Standard Oil Company of California

The Company's net income after taxes in 1955 was \$231,138,655, or \$7.31 a share. This was an increase of \$19,266,208 over the 1954 net income of \$211,872,447, which was at the rate of \$6.70 a share as applied to the 31,612,193 shares outstanding at the end of 1955.

Cash dividends paid during the year amounted to \$3.00 a share on stock then outstanding. In addition, a stock dividend of 5 per cent was paid in December, 1955. Stockholders received \$90,320,553 in cash dividends in 1955, an increase of \$3,256,057 over the previous year.*

The gain in income reflected the generally high levels of business and industrial activity in the United States and abroad. Crude oil production, refinery runs and product sales were the largest in the Company's history. Operating expenses likewise were at an all-time high because of increased costs and the expansion of the business. More money was spent to meet current and anticipated growth in the demands for petroleum than in any previous year.

At the close of 1955, the Company had \$142,000,000 in its cash and government securities accounts, a reduction of \$36,000,000 from 1954. The change was principally accounted for by the expenditures made for capital and exploratory purposes during 1955. They totaled \$347,000,000, which was \$66,000,000 more than was expended during 1954.

The capital investment, as in several pre-

vious years, was larger than the provisions for depreciation, depletion and amortization. Additional funds needed were provided from current earnings and funds on hand. It is expected that cash generated by operations, together with funds now on hand, will be sufficient to meet requirements in 1956 without outside financing.

Plans for 1956 provide for expenditure of more than \$350,000,000 for capital and exploratory purposes. The final total will be determined by the amounts required for acquisition of new leases for exploration.

New investments have added steadily to the stockholders' equity in the Company and the 1955 stock dividend was declared in recognition of this fact.

The Company's debt at the end of 1955 was substantially unchanged from that of the previous year, with long term direct obligations of \$78,500,000. This debt is 5 per cent of total capital, a relatively low percentage in the oil industry.

Western Hemisphere

Exploration for oil reserves and their subsequent development by drilling not only are costly procedures, but also require considerable time to accomplish results. The exploration and development activities of 1955 expanded and carried forward an intensive long-range program.

Discoveries and development continued to add substantially to the net underground crude oil reserves of the Company. The additions in

*For a 10-year report of annual dividend payments, please see Pages 28 and 29.

1955 were nearly three times the year's production. Thus, almost two-thirds of the new oil which was proved in the ground became net additions to the Company's future supply.

From the standpoint of additions to reserves, perhaps the most significant development of the year was the extension of the Company's offshore holdings in the Gulf of Mexico. The two subsidiaries operating in that area have leases on 25 prospects in submerged areas offshore. Eleven prospects have been drilled. Six of them were established as producers, three are awaiting further drilling and two have been abandoned as unproductive.

Acquisition of these properties is by competitive bidding to the Federal or State governments, depending on which holds title. Some of the geologic structures sought are large and well-recognized. The leases are offered in sizable blocks with the result that substantial outlays of cash are required to bid successfully and the size of bids has increased greatly in the last several years.

In 1955 the Company paid out approximately \$30,000,000 in bids for leases in the waters of the Gulf and another \$13,000,000 for similar bidding inland in Canada. The subsidiaries operating in the Gulf now have offshore production at the rate of approximately 34,000 barrels daily, which is about one-third of the entire offshore output of the oil industry in that area.

Of the total expended for capital and exploratory purposes, \$134,000,000 was devoted to exploration and \$120,000,000 to development of proved properties in the Western Hemisphere.

The remaining \$93,000,000 was invested principally for marketing and distribution purposes and in the refineries. As in the past several years, the greater part of expenditures for refineries went into facilities to improve the quality of gasoline and for manufacture of new products, notably petrochemicals, which tend to diversify the Company's sources of income.

Eastern Hemisphere

The affiliated companies operating in this area of the world continued to make rapid progress. Growth in demand there has been at a much higher rate than in the United States. It is estimated that in 1956 the use of petroleum in the Eastern Hemisphere outside the Iron Curtain will increase approximately 11 per cent, as compared with an anticipated 4 to 5 per cent gain in the United States.

Production from Iran has been back on the world's markets for more than a year. As anticipated, the rapid growth of Free World petroleum demands has enabled these markets to absorb Iran's output without drastic effects upon the production of other Middle Eastern countries whose economies are vitally dependent on revenues from oil.

The Company's equity in earnings of Eastern Hemisphere interests amounted to \$122,278,000 as compared with \$117,875,000 in 1954. The amount contributed to the Company's 1955 net income from these sources was \$90,313,000 after taxes, principally in dividends from affiliates.

Not all of the income earned by affiliated companies operating in the Eastern Hemisphere is paid out in dividends; some is retained to finance growth. The Company's equity in these undistributed earnings in 1955 was \$20,777,000, or the equivalent of 66 cents a share on its stock. This represents an addition to the equity interest of stockholders of Standard Oil Company of California that is not reflected in the report of its earnings for 1955.

Relationships of these Eastern Hemisphere companies with the peoples and the governments of the countries in which they operated continued to be satisfactory. In co-operation with the Government of Saudi Arabia, much is being done for the progress of the people of that country.

With respect to these and other operations abroad, the Company has co-operated fully with the Federal Government on the subject of

imports of oil into the United States. Such imports were voluntarily reduced in 1955 in line with the Company's long-standing policy that imports should be fitted properly into the total oil requirements of the United States.

* * *

The wide variety of its interests and sources of revenue points up the Company's position as a world-wide enterprise. The income received from Eastern Hemisphere interests was less in 1955 than in 1954 because these affiliates retained a larger portion of earnings than in the previous year. However, the decrease was offset in the consolidated results by gains in the Western Hemisphere.

Gross production of crude oil and natural gas liquids in 1955 on a world-wide basis, including the Company's share in the operations of the Eastern Hemisphere affiliates, was at the rate of 723,300 barrels daily, as compared with 661,900 barrels daily in 1954.

The Company produced oil in 13 states of the United States and two provinces in Canada. It also had production in Venezuela. In the Eastern Hemisphere, it shared in the production of Saudi Arabia, Bahrain Island, Iran, Sumatra and New Guinea. Exploration crews ranged to far places of the Free World and, in

various stages of examination of oil prospects, were active in 41 countries.

Subsidiaries and affiliates conducted various other operations in many countries in both the Eastern and Western Hemispheres.

While management provides the direction for these widely diverse operations, it is the effort, skill and loyalty of the employees of the Company and its subsidiaries and affiliates that make the whole operation work successfully. What they have accomplished is sincerely appreciated.

* * *

There were a number of changes in the Board of Directors during 1955. A. N. Kemp, Los Angeles business-man, died after 13 years of service on the Board. F. S. Bryant, a vice-president who had been a director for 15 years, retired after 34 years of service with the Company. New directors named to the Board were Asa V. Call, Los Angeles life insurance executive and civic leader, and T. L. Lenzen and G. L. Parkhurst, both of whom are vice-presidents of the Company.

The stockholders will vote at the annual meeting in San Francisco May 3, 1956, on a proposal of the Board to split the Company's stock on a two-for-one basis. If the plan is ratified, stockholders will receive one additional share for each share they hold.

By Order of the Board of Directors

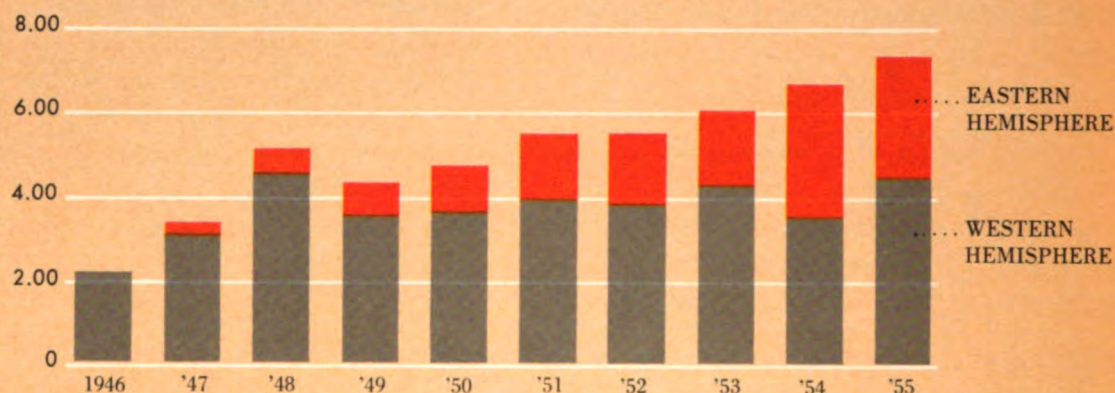
T. S. PETERSEN, President

R. G. FOLLIS, Chairman of the Board

March 14, 1956

Dollars per Share
on 31,612,193 Shares
now Outstanding

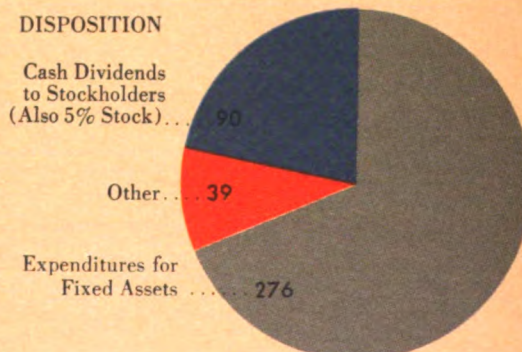
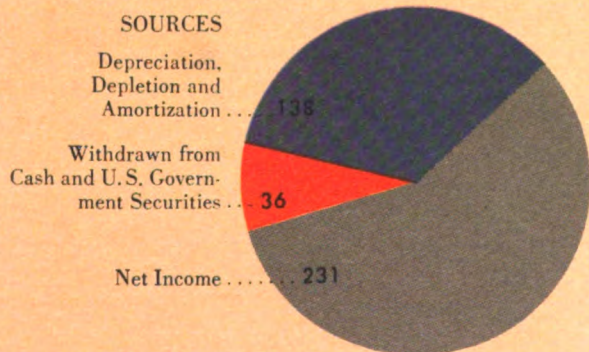
CONSOLIDATED NET INCOME (After Taxes)



GROSS ADDITIONS TO PROPERTIES, PLANT AND EQUIPMENT IN 1955

	<u>United States</u>	<u>Other Countries</u>	<u>Total</u>
Producing	\$142,109,000	\$47,286,000	\$189,395,000
Manufacturing	45,231,000	2,856,000	48,087,000
Marketing	24,136,000	1,473,000	25,609,000
Transportation	9,476,000	234,000	9,710,000
Other	3,162,000	—	3,162,000
	<u>\$224,114,000</u>	<u>\$51,849,000</u>	<u>\$275,963,000</u>

SOURCES AND DISPOSITION OF FUNDS Year 1955 in Millions of Dollars



Review of Operations

WESTERN HEMISPHERE

EXPLORATION AND PRODUCING

In a swiftly expanding national and world economy, the success of an integrated oil company depends to a major degree on its ability to discover new oil deposits and to realize the full potential of those oil properties it already has under development.

In 1955, therefore, the Company continued its long term emphasis on expansion of crude oil resources, devoting more than two-thirds of its record expenditures to oil exploration and to the development of previously discovered holdings.

During the year, the Company and its subsidiaries engaged in exploratory studies or actual drilling activities in 33 states and Alaska, in six Canadian provinces and territories, and in 15 countries of Latin America.

The exploration and development programs of the Company were carried on by several subsidiaries and the Western Operating Division. Included among the principal subsidiaries engaged in this work were The California Company, which has its main centers of activity in the Gulf Coast and Rocky Mountain areas; Standard Oil Company of Texas, in Texas and New Mexico, and The California Standard Company, in Canada. A number of others operated in Latin America. The Western Operating Division covers the seven Western States and Alaska.

Plans for 1956 again will stress this phase of the business, with an estimated 900 exploratory and development wells scheduled to be drilled throughout the Western Hemisphere.

A summary of 1955 drilling operations follows:

Number of wells drilled	822
Successful completions (including gas wells)	
Exploratory wells	34
Development wells	671
Dry holes	
Exploratory wells	73
Development wells	44

A total of 8,634 oil and gas wells were producing at the end of the year.

Gross production in 1955 averaged 365,800 barrels daily, including 19,300 barrels of natural gas liquids. The comparable figures for 1954 were 336,300 barrels daily, including 20,000 barrels of natural gas liquids. Production in 1955 was distributed geographically as follows:

California . .	137,300 barrels daily
Elsewhere in the	
United States	165,500 barrels daily
Western Hemisphere	
outside the U.S.	63,000 barrels daily

The Company was a pioneer in offshore development in the Gulf of Mexico, having started its exploratory work there in 1946.



EXPLORATION AND PRODUCING

Currently it has the highest volume of production in the industry from the submerged lands in the Gulf. Two more major discoveries were added to proved holdings in 1955. An extensive offshore development drilling program was carried on in the Gulf, one result of which indicated important reserves of natural gas in the Chevron oil field, offshore from Padre Island, near Corpus Christi, Texas.

Onshore in the United States, the four discoveries which were regarded as of major importance were made in Louisiana. Two

others of somewhat lesser significance were in Weld County, Colorado, and in Roosevelt County, Montana. The extent of a discovery of the Sheffield (Ellenburger) field in Pecos County, West Texas, is being tested. A large area in the vicinity of this new field is under lease to the Company.

Meanwhile, additional leases were acquired and explored in other Louisiana and Texas inland areas, Mississippi, Alabama, offshore Florida, Colorado, Nebraska, Wyoming, Montana and North Dakota.



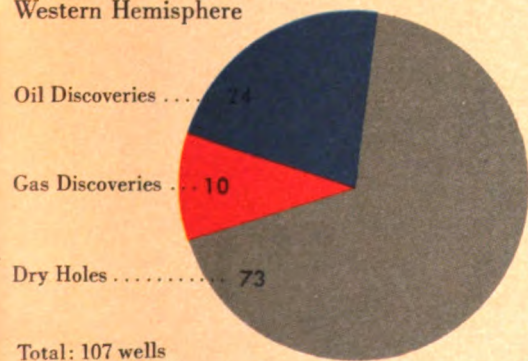
Drilling shot holes for seismic exploration in Louisiana bayous, drawing, left above. Left, field geologist and center, seismicographic explosion. Right, paleontologist examines cores in laboratory.

The Western Operating Division continued development of proved properties, principally in the San Joaquin Valley and in the Los Angeles and coastal areas of Southern California. With demand for oil continuing to outstrip supply in the Far West, increasing attention was given to application of secondary

recovery methods, principally water flooding of underground formations, in partly-depleted California oil pools.

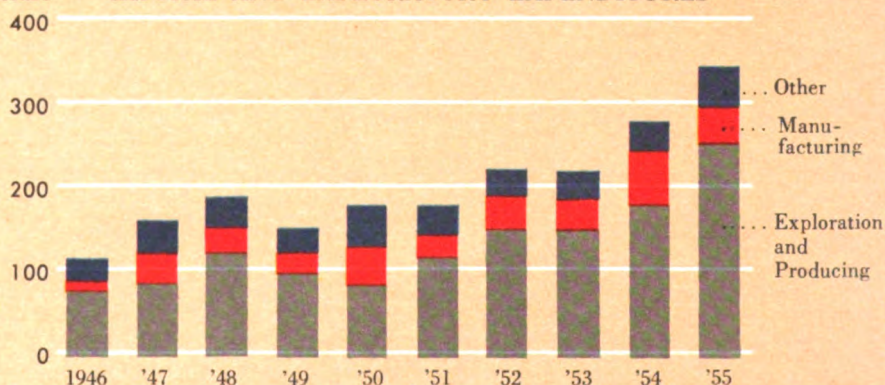
California enacted legislation in 1955 which provided for the leasing of potential offshore oil properties belonging to the State. These properties are expected to make a ma-

RESULTS OF 1955 EXPLORATORY DRILLING Western Hemisphere



Millions of
Dollars
400

CAPITAL AND EXPLORATORY EXPENDITURES





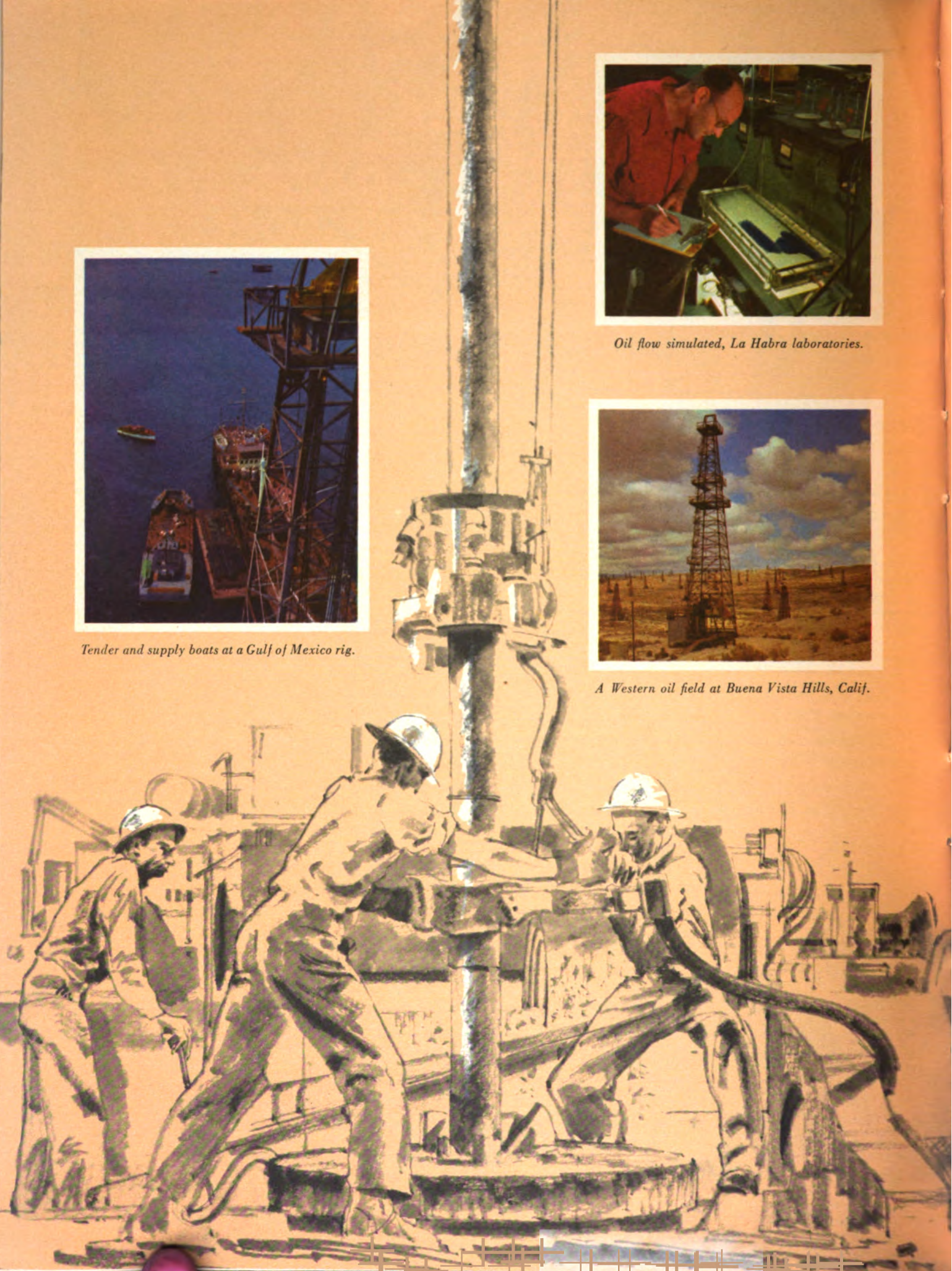
Tender and supply boats at a Gulf of Mexico rig.



Oil flow simulated, La Habra laboratories.



A Western oil field at Buena Vista Hills, Calif.



terial contribution to the State's total oil production in the future.

The Company's production continued to rise in Canada as has been the case for several years. Six oil and two gas exploratory wells were completed successfully in Western Canada in 1955. The Company acquired 92,000 acres in the West Cynthia area of Alberta, adjoining the Pembina field. This acreage is being tested by exploratory drilling.

Various problems which have hindered the exportation of surplus Canadian natural gas were solved in 1955, so that Alberta and British Columbia gas soon will find substantial

outlets both in Canada and in the United States.

Activities in South America and the Caribbean region continued to be widespread. Notable among these was extensive developmental drilling in the Boscan field of Venezuela. Production in that country averaged 45,100 barrels daily. Natural gas was discovered in commercial quantities in the Mahaica area in Trinidad.

Exploratory rights to substantial tracts of land in Ecuador, Colombia, Peru, the Bahamas and Cuba were acquired or held and negotiations are being carried on for concessions in Guatemala.

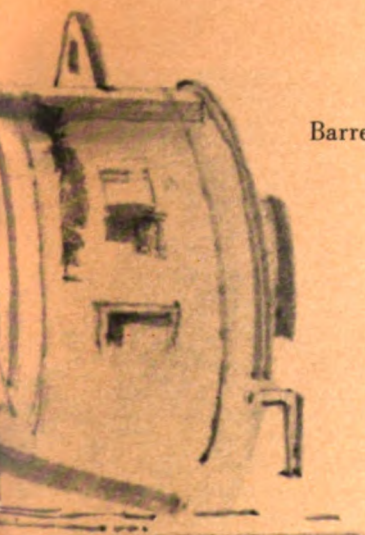
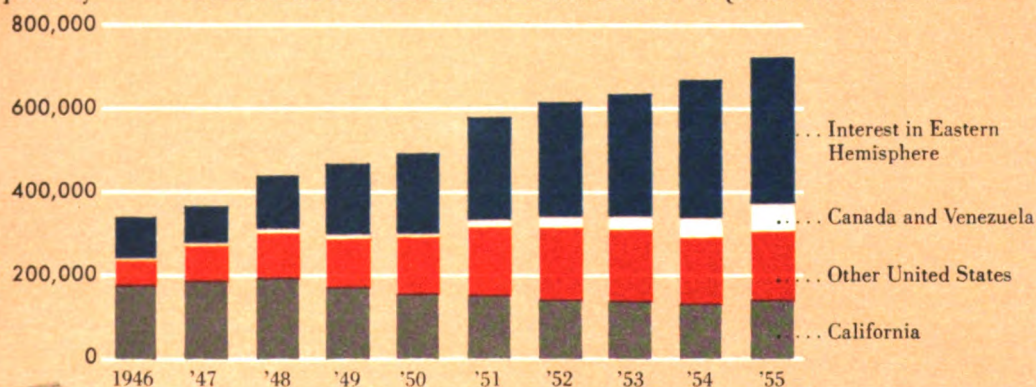
CRUDE OIL AND NATURAL GAS LIQUIDS PRODUCTION — (Barrels Per Day)

	<i>Gross</i>		<i>Net</i>	
	1955	1954	1955	1954
California	137,277	131,105	125,200	119,277
Other United States	165,538	157,707	144,061	137,075
Canada	17,936	13,071	15,676	11,444
Latin America	45,094	34,440	37,579	28,702
Total Western Hemisphere	365,845	336,323	322,516	296,498
Eastern Hemisphere*	357,489	325,574	354,819	325,313
Total World-Wide	723,334	661,897	677,335	621,811

*Proportion of operations in Eastern Hemisphere represented by the Company's stock interest in affiliates owned 50% or less and a subsidiary.

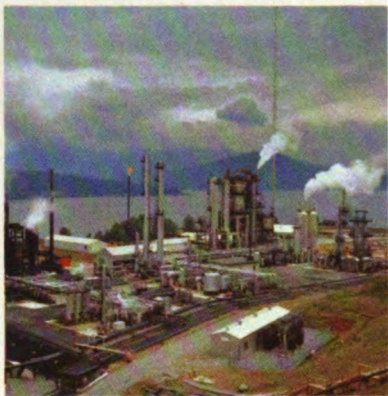
Barrels per Day
800,000

GROSS CRUDE OIL AND NATURAL GAS LIQUIDS PRODUCTION



MANUFACTURING

*Vancouver
refinery,
British
Columbia.*



Bakersfield refinery, California.



Perth Amboy refinery, New Jersey.

*Salt Lake
refinery,
Utah.*



*Platformer,
El Segundo
refinery.*



*Crude Still,
Richmond
refinery.*



El Paso refinery, Texas.

MANUFACTURING Oil refiners have two basic objectives: to increase both quality and quantity of products to meet growing customer demands; and to develop the new plants and processes that make such progress possible at lower costs of manufacture. Primary attention is directed toward the industry's major products—fuels and lubricants. However, manufacture of new products, such as petrochemicals, also must be furthered to attain maximum utilization of raw material and to create new markets for the future.

To achieve these objectives, the Company engaged in a broad program of construction and improvement at its principal refineries, which are at Richmond, El Segundo and Bakersfield, California; Salt Lake City, Utah; El Paso, Texas; Perth Amboy, New Jersey, and Vancouver, British Columbia.

Two large catalytic reforming units went into operation on the West Coast in 1955. They were designed for further improvement of gasoline quality.

A butadiene plant at El Segundo was purchased from the Federal Government. This plant embodies a Company-developed process in the manufacture of synthetic rubber.

To maintain the Company's pioneering leadership in the manufacture of Alkane—an important raw material for detergents —

plant expansion to increase quantity and improve quality of this chemical was undertaken during 1955.

A plant to manufacture Isophthalic will be completed this year. This is a new petrochemical, the markets for which are described in the Chemical Products section of this report.

Construction began on a series of large-scale plants at Richmond, for the production of ammonia and other fertilizers. Completion is scheduled for 1956.

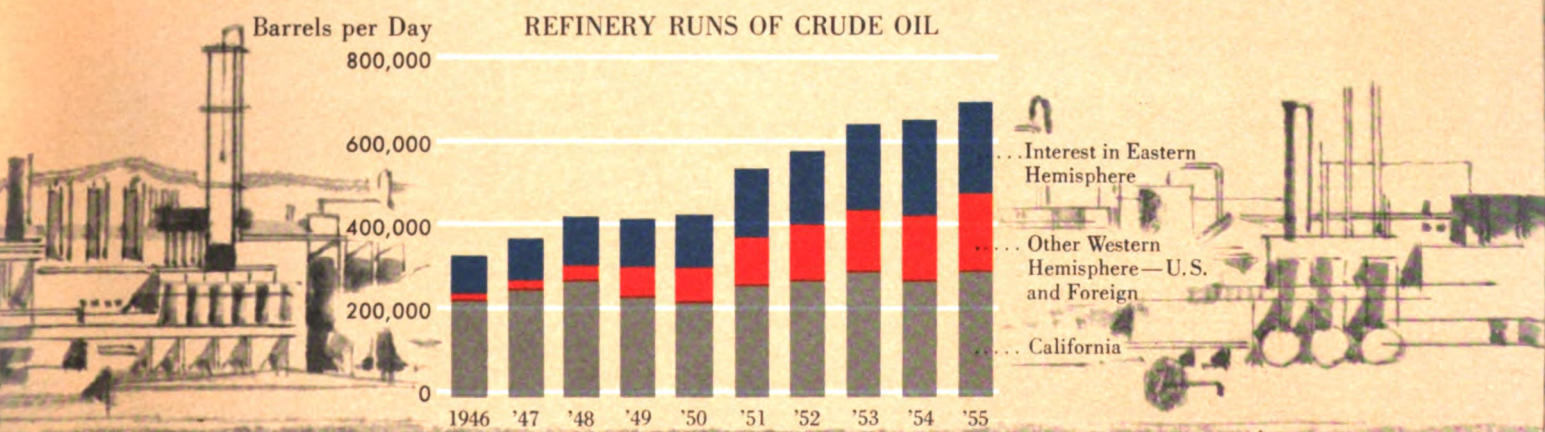
A second fluid catalytic cracker began operation at Salt Lake in July, increasing both quality and quantity of products from this refinery.

A platformer, crude stripper and allied equipment were completed at El Paso during the year, increasing octane ratings of gasolines. It is planned to expand capacity of this refinery by more than two-thirds.

The refinery at Vancouver, reconstructed in 1954, was further enlarged during the year by completion of a platformer to improve the quality of gasolines.

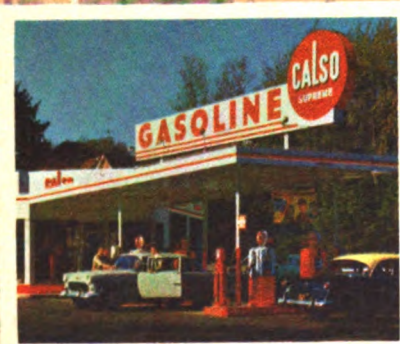
Preliminary designs were approved for a modern refinery in Honolulu. The start of construction awaits acquisition of the desired site.

Construction of an asphalt refinery was begun at Bajo Grande, Venezuela, and is scheduled for completion in 1956.





Standard Stations and Chevron gas stations serve the West.



Under the brand of Calso, The California Oil Company serves 11 Eastern Seaboard States.



MARKETING

MARKETING The oil business is highly competitive in all its phases, but nowhere is this more evident than in marketing. Competition not only occurs in price, but also is intensive in the areas of quality and service.

The characteristics of gasoline were markedly improved to meet requirements of new high-compression automobile engines. Premium gasolines approached the octane rating requirements of the aviation industry of only a few years ago. Extensive refinery improvements of the last several years, coupled with intensive sales and service efforts, enabled the Company to market new fuels that won public approval.

There are approximately 13,600 service stations in the United States and Western Canada selling the Company's products. This number includes about 2,300 dealers on the Eastern Seaboard; some 10,200 dealers in 14 states in the West, Western Canada, Alaska and Hawaii, and approximately 1,100 units of Standard Stations Inc., a subsidiary operating in the seven Western States.

The Company conducts general marketing operations in more than half of the 48 states, in Western Canada and in Alaska and Hawaii. On the East Coast, The California Oil Company operates through distributors in 11 states from Maine to Virginia and in the District of Columbia. Standard Oil Company of Texas sells in West Texas and New Mexico; The California Company in five Rocky Mountain and Central States, and Standard Oil Company of

British Columbia Limited in Western Canada. The Western Operating Division of the Company covers the seven Western States, Alaska and Hawaii.

All of these units increased their volume of sales, not only to the motoring public at service stations, but to commercial, agricultural and industrial accounts as well.

The unusually cold winter of 1955-56 resulted in heavy increases in sales of fuel oils of various types. This fact, along with high industrial activity, brought about periods of short supply, but the demands of customers were met.

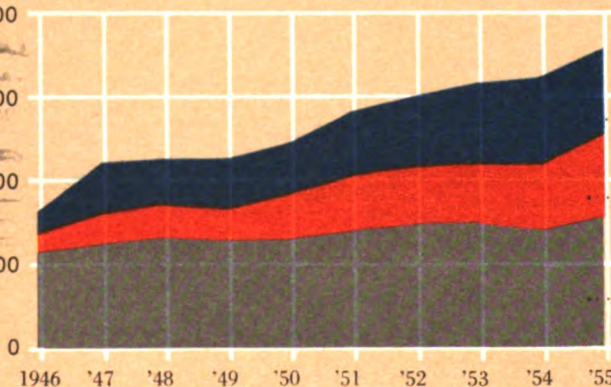
Continued suburban development and the rapid construction of express highways created new service station problems, particularly in the West, which were met by a broad program of construction and improvement.

Airline traffic continued to develop rapidly, with a corresponding increase in the Company's aviation gasoline sales.

A more specialized marketing and manufacturing subsidiary is American Bitumuls & Asphalt Company, which is now the leading marketer of asphaltic products in the United States. It increased its sales throughout the areas of its operations and participated importantly in the nation's expanded highway construction program. Its industrial emulsions and Bitumuls Emulsified Asphalt for paving are manufactured and marketed through 24 plants and district offices in the United States. Affiliates and a subsidiary market in various foreign countries.

Barrels per Day
800,000
600,000
400,000
200,000
0

SALES OF PETROLEUM PRODUCTS



Interest in Eastern Hemisphere

Other Western Hemisphere—U.S. and Foreign

Seven Western States, Alaska, and Hawaii

RESEARCH The Company's expenditures for research and technical services approximated \$12,750,000 in 1955. These activities are centered in California Research Corporation and this subsidiary expanded its efforts in keeping with the general growth of the Company. Nearly 1,200 men and women, of whom about half have technical degrees, work for Cal Research.

Progress in the petroleum industry continues to be dependent to a great extent upon the successful application of scientific and engineering knowledge to operating problems.

As a result of research on products and processes, the Company's products were kept competitive in cost and high in quality in the face of greatly increased sales competition and rapid evolution of refining methods. A new line of greases, based on new concepts of grease composition and manufacture, was developed and placed on the market. Fuel and lubricant problems occasioned by increased compression ratios in automobile engines and by the trend toward new types of fuels for large Diesel engines received intensive study. New products were created in anticipation of higher service requirements.

Jet fuels, both for use in future civilian aircraft and to meet severe operating conditions imposed by advanced military aircraft, were given steadily intensified attention.

New synthetic lubricants are being developed for situations where petroleum lubricants will not meet the unusual demands imposed by military equipment. These products undoubtedly will find future civilian applications.

New demands for paraffin wax and asphalt are growing rapidly in volume requirements and diversity of uses. Improved products were developed to meet these demands.

Major research effort was involved in developing the new processes and equipment necessary to convert crude oil into the synthetic products required in today's high-grade gasoline.

A vigorous research program was continued in support of petrochemicals. Many technical problems were satisfactorily solved during design and construction of the Isophthalic plant. New uses for Isophthalic were developed which will further broaden the industrial use and support the sales of this chemical.

Oil field research supplied important assistance to exploration and producing activities. Improved methods were evolved for applying seismographic techniques in exploration. Off-shore exploration and drilling problems received particular attention. A method for increasing recovery from oil sands through partial combustion of the oil underground is undergoing field trials in culmination of several years of research effort. These field tests will supply important information as to the economic feasibility of this process and on methods of solving the technical problems involved in its application.

CHEMICAL PRODUCTS The two subsidiaries covering this field are Oronite Chemical Company and California Spray-Chemical Corporation, both of which operate domestically and abroad.

Oronite increased its sales revenues more than 20 per cent in 1955 over the previous year. Its product line now includes 27 major industrial chemicals, which it markets principally to other manufacturers for further processing and resale. During 1955 two new plants were completed in the United Kingdom which are jointly owned with British interests.

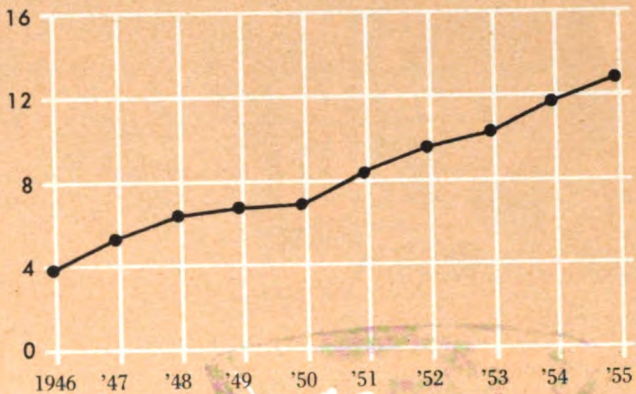
Oronite is the world's largest supplier of the petrochemical used in compounding household detergents and industrial cleaners. It is a leading marketer of basic and intermediate chemicals used in the manufacture of a wide variety of synthetic materials, including plastics, adhesives, solvents, synthetic fibers and surface coatings. It manufactures and sells chemically-based additives for lubricating oils, and also markets the Company's output of butadiene for synthetic rubber. The new in-



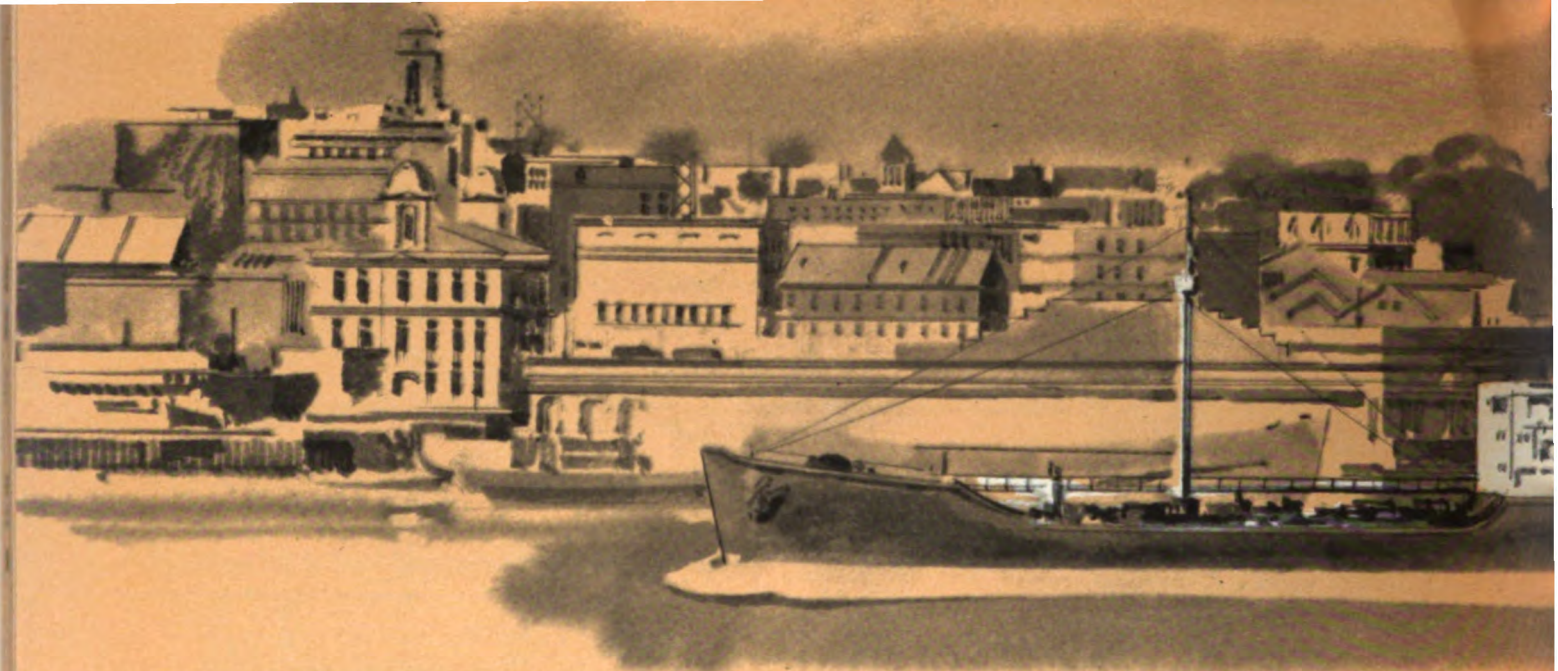
At Richmond laboratories of California Research Corporation, products are improved, evolved. At La Habra, research is made into oil exploration and production.

Millions of Dollars

EXPENDITURES FOR RESEARCH (Including Technical Services)



RESEARCH AND CHEMICAL PRODUCTS



TRANSPORTATION

intermediate chemical, Isophthalic, will be the latest addition to its line of products. Major applications will be in the paint and plastics industries, where it will be used to make synthetic coatings for wood and metal, house paints, automobile and appliance finishes, and such plastic articles as translucent paneling, molded sports car bodies, luggage and lightweight boats.

Calspray's sales volume continued an upward trend. This company markets insecticides and garden and farm pest control products. Its products are most widely recognized under the brand name ORTHO. With completion in 1956 of facilities at Richmond for the manufacture of chemical fertilizers, Calspray will be able to augment its position in the agricultural field. Calspray's export business increased substantially in 1955. It has a subsidiary in Canada and affiliates in Mexico, France and Germany.

TRANSPORTATION The Company operates 3,375 miles of crude oil and products trunk pipe lines in the United States. A new products line, extending 248 miles from El Paso, Texas, to Albuquerque, New Mexico,

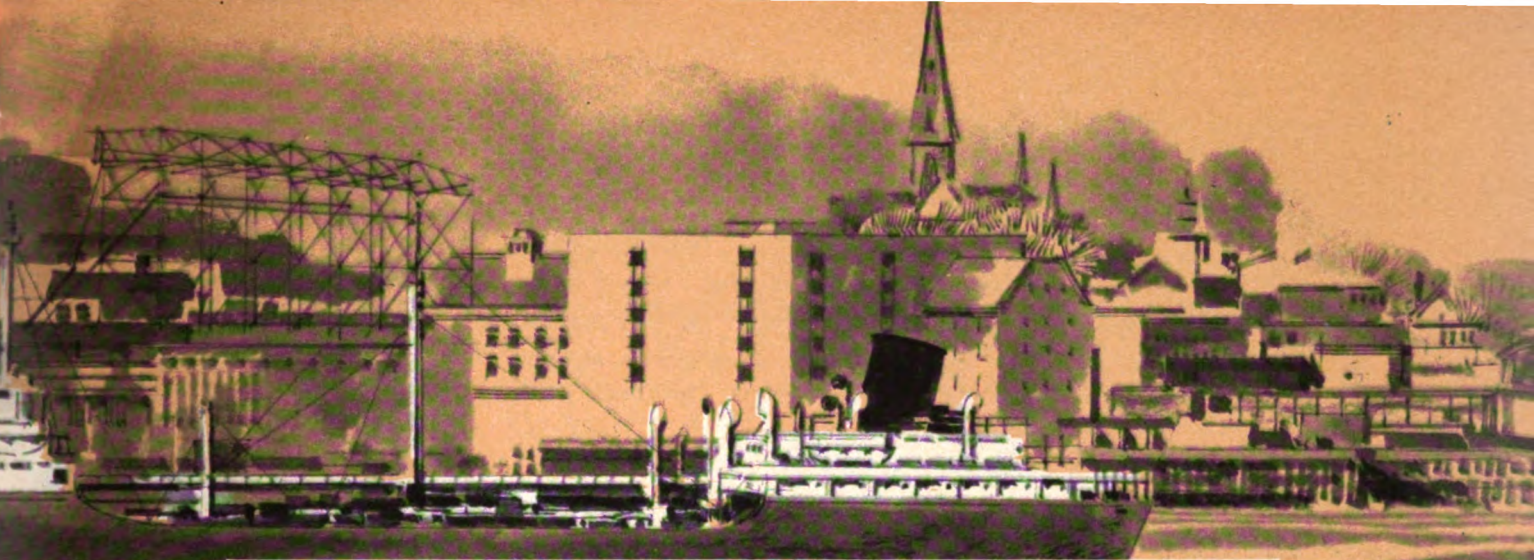
went into operation early in 1955. Crude oil pipe line capacity serving the El Paso refinery was augmented and further expansion is scheduled in 1956. Capacity of the crude oil pipe line running from Rangely, Colorado, to Salt Lake City, Utah, was expanded by constructing 82 miles of new line paralleling the existing route.

One new tanker was launched early in 1956. The Company and its wholly owned subsidiaries own and operate 26 seagoing tankers. Other large vessels were operated under charter.

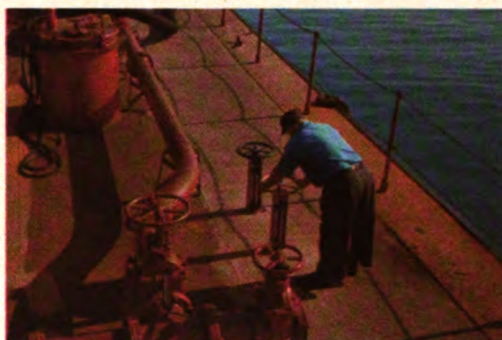
PERSONNEL There were 36,369 men and women employed by the Company and its wholly owned subsidiaries at the end of 1955. One-third of them had been with the Company for from 10 to as long as 50 years.

Membership in the Stock Plan was 13,423, or 96 per cent of those eligible. Currently more than 480,000 shares, or 1.5 per cent of the Company's outstanding stock, is held in trust for these employee stockholders.

A poll conducted by California Institute of Technology to ascertain employee opinion for management guidance was participated in by



*Pump station,
Rangely Pipe Line,
Colorado—Utah.*



*Barges supply
distributors on
Western bays, rivers.*



*Tanker fleets of
company, subsidiaries,
affiliates, cover world.*



*Tank truck supplies
Calso customers on
East Coast.*

some 16,000 employees in Western operations.

Particular attention has been paid to a program to inform the employees as to the benefits they receive in addition to their pay. A report is prepared annually for employees listing the benefits they receive and the cost to the Company.

Continuing stress of the need for safety on the job was reflected by employee co-operation in this direction. The results have received national recognition from safety groups.

PUBLIC RELATIONS Public opinion in its various aspects has an important effect on successful conduct of the business in the interests of stockholders. Company policies are deter-

mined and operations carried out with the general public interest, at home and abroad, as a primary consideration.

Everything the Company and its representatives do, of course, bears on public opinion. However, various special programs are carried out to reach particular segments of the public. These include efforts in the fields of public information, education, community relationships and cultural development.

During 1955, the Company's program of assistance to education was broadened by the award of \$100,000 in unrestricted grants to 24 private colleges. These funds supplement other aids such as fellowships, scholarships, technical grants and special services to teachers and students.

EASTERN HEMISPHERE



Caltex refinery at Bec D'Ambes, France.



Caltex gas station in Brussels, Belgium.



Caltex refinery, Kudamatsu, Honshu, Japan.

Scene in Aramco oil field, Saudi Arabia.

ARABIAN AMERICAN OIL COMPANY

The Company holds a 30 per cent interest in Aramco, whose holdings in Saudi Arabia comprise reserves which are among the largest in the Free World.

Crude oil production averaged 965,000 barrels daily in 1955, as compared with 953,000 barrels daily in 1954. The Ras Tanura refinery processed 203,200 barrels daily in 1955, as against 218,800 in 1954. A catalytic reformer was installed early in the year, resulting in production of higher octane gasoline.

Aramco made further advances in the employment and training of Saudi Arabs. It continued to encourage and assist Saudi Arabian employees to own their own homes. There was also further expansion of educational and medical facilities for employees and their families. These programs were developed in cordial co-operation with the Government of King Sa'ud ibn 'Abd al-'Aziz.

Despite prolific production from existing fields, Aramco proceeded with its exploration and survey of the concession area. Plans were made for bringing into production the Persian Gulf's first offshore field. Conservation activities were further developed.

Late in the year, Aramco increased its price for oil delivered to the four owner companies and their affiliates with retroactive effect to October, 1953, and, in line with the obliga-

tion to pay taxes and royalty amounting to 50 per cent of profits to the Saudi Arabian Government, made a large retroactive tax settlement.

Advances were made in utilization by Aramco of non-dollar currencies, an important factor in making its production competitive in Eastern Hemisphere markets.

TRANS-ARABIAN PIPE LINE COMPANY

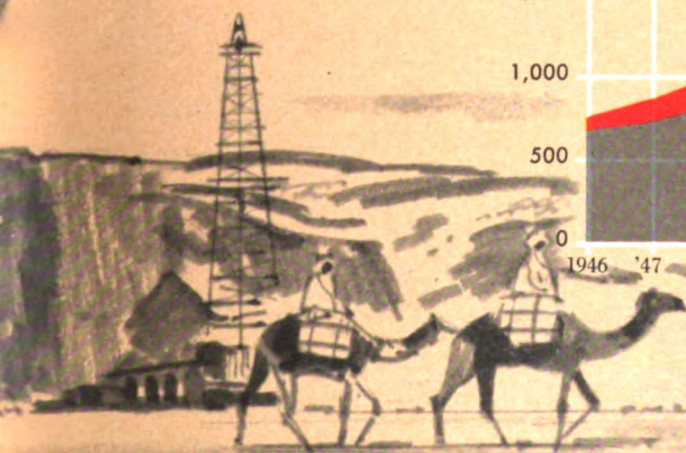
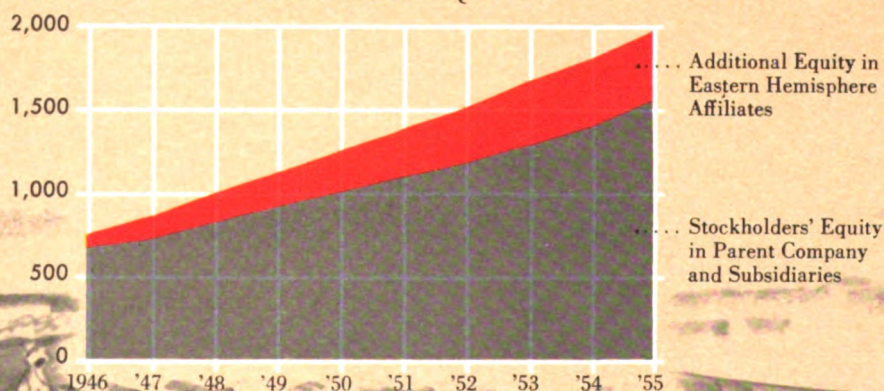
Tapline, now in its sixth year of operation, continued to be one of the great arteries of petroleum transportation, carrying 322,100 barrels daily from Saudi Arabia to Sidon, Lebanon. This was the highest rate of throughput in the history of the operation. Operating costs and tanker loading times were reduced. It is 30 per cent owned by the Company.

CALTEX The Caltex Group, in which the Company has a 50 per cent interest, operates in 67 countries in the Eastern Hemisphere. Its sales of crude and products during 1955 amounted to 537,600 barrels daily, against 531,800 in 1954. Competition in the international oil markets continued to intensify.

Thirteen refineries wholly or partially owned by Caltex companies in nine countries processed a total of 385,400 barrels daily in 1955, an increase of 20,200 barrels daily over 1954. The refineries are located in Australia, The Philippines, Japan, Italy, Spain,

Millions of Dollars

STOCKHOLDERS' EQUITY



France, The Netherlands, Lebanon and Bahrain Island in the Persian Gulf.

The most recent of these completed installations to start operations was the plant near Sydney, Australia, with a capacity of 22,000 barrels daily. Another new refinery at Visakhapatnam, midway up India's east coast, is scheduled to go on stream in 1957 with a daily capacity of 13,500 barrels.

During 1955 advances were made in a long-range program to install new equipment, to improve quality and increase capacity at various of these refineries.

The Bahrain Petroleum Company Limited produced an average of 30,100 barrels daily of crude on Bahrain Island during 1955 and geologists continued their search for additional reserves. A company with which Caltex is affiliated carried on exploration and production in New Guinea, while a subsidiary was formed to search for oil in the Philippine Islands. The company operating in Sumatra produced an average of 61,300 barrels daily, an increase of about 18,500 barrels daily over 1954. An extensive geophysical program was inaugurated in Sumatra in an attempt to expand production and reserves.

A large-scale exploration and wildcat drilling program was continued in Western Australia by a company in which Caltex has an 80 per cent interest.

Another exploration program was being carried out in the Paris Basin, where the

French Government has granted exclusive exploration permits to a company in which Caltex has a 45 per cent interest.

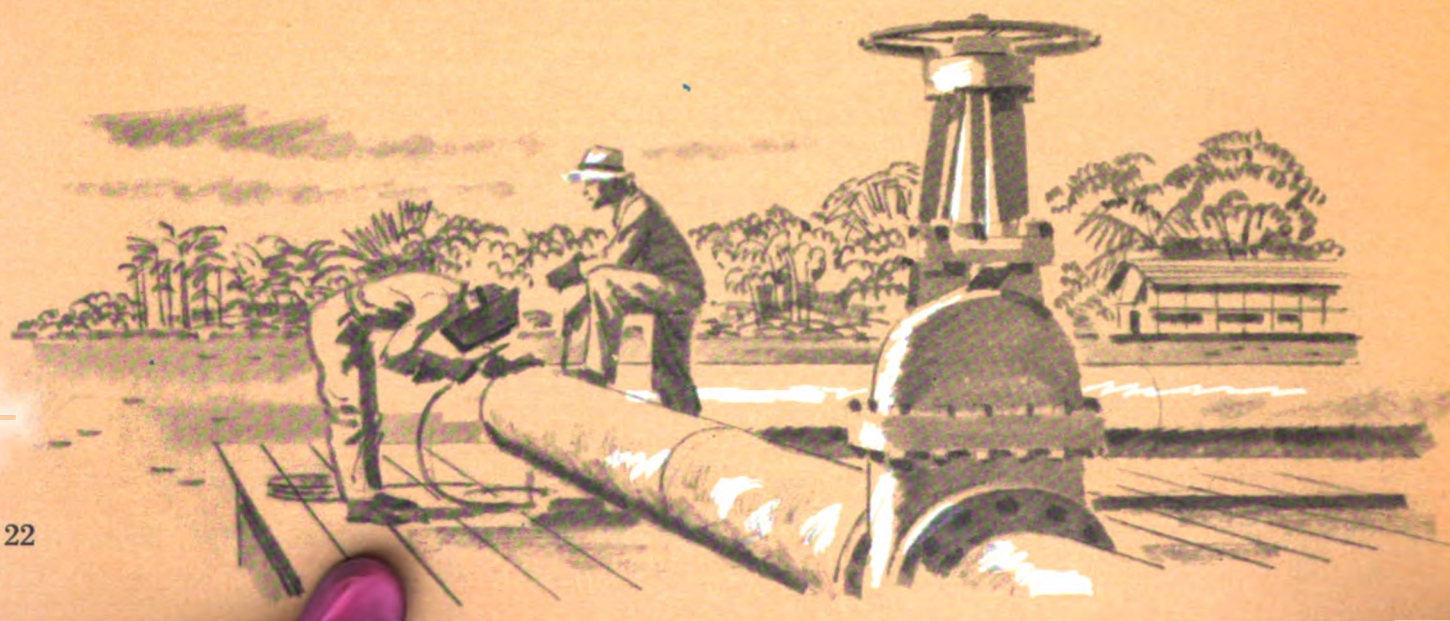
At the end of the year, Caltex companies owned 59 tankers flying the flags of Great Britain, France, The Netherlands and Panama, and were operating 49 additional vessels under charter.

The Caltex group has a total of 31,900 employees, the large majority of whom are foreign nationals.

IRAN The Consortium of American, British, Dutch and French companies set up by agreement with the Government of Iran with the encouragement of the United States Department of State made rapid progress in restoring Iran's oil to international markets.

During the year, another group of American companies acquired one-eighth of the Company's interest in the Iranian Consortium, as well as one-eighth of the interest held by each of the four other original American participants. Thus, the Company's interest in the Iranian venture was reduced from 8 to 7 per cent. The Company's wholly owned subsidiary handling this interest is Iran California Oil Company.

Iranical's interest in oil production in Iran was 21,400 barrels daily from which came its share of output at the Abadan refinery of 9,100 barrels daily.



Standard Oil Company of California

CONSOLIDATED STATEMENT OF INCOME

	1955	1954
<i>Gross Income:</i>		
Sales and other operating revenues	\$1,277,840,419	\$1,113,342,595
Dividends from affiliated and other companies	96,175,324	112,430,214
Other income	2,541,877	3,221,756
	<u>1,376,557,620</u>	<u>1,228,994,565</u>
<i>Expenses:</i>		
Operating expenses, including exploration	483,577,206	430,182,820
Purchased crude oil, petroleum products and other merchandise	414,235,149	372,358,870
Depreciation, depletion and amortization	138,395,335	118,767,648
Federal and other taxes based on income (estimated)	59,100,000	50,800,000
Other taxes	48,484,968	43,317,562
Interest on long term debt	1,626,307	1,695,218
	<u>1,145,418,965</u>	<u>1,017,122,118</u>
<i>Net Income</i>	<u>\$ 231,138,655</u>	<u>\$ 211,872,447</u>

CONSOLIDATED STATEMENT OF EARNED SURPLUS

	1955	1954
<i>Balance at Beginning of Year</i>	\$710,009,248	\$689,858,404
<i>Net Income for Year</i>	231,138,655	211,872,447
<i>Dividends:</i>		
Cash	(90,320,553)	(87,064,496)
5% in capital stock of the Company	(120,427,360)	(104,657,107)
<i>Balance at End of Year</i>	<u>\$730,399,990</u>	<u>\$710,009,248</u>

CONSOLIDATED BALANCE SHEET

A S S E T S

	December 31	December 31
	1955	1954
<i>Current Assets:</i>		
Cash	\$ 109,632,517	\$ 91,408,832
U. S. Government securities, at cost which approximates market . .	32,338,714	86,396,976
Accounts and notes receivable (less reserves of \$2,300,000 in 1955 and \$1,970,000 in 1954)	196,118,313	132,197,229
Inventories:		
Crude oil and products, at cost (on last-in, first-out basis), which is below market	115,542,102	114,562,447
Other merchandise, at cost	17,317,331	13,500,164
Materials and supplies, at or below cost	41,538,965	36,065,828
	512,487,942	474,131,476
<i>Long Term Receivables</i>		
(less reserves of \$300,000 in 1955 and \$740,000 in 1954) . . .	13,382,553	11,843,028
<i>Investments in Companies Not Wholly Owned (At or Below Cost):</i>		
Operating in foreign countries	26,991,008	25,614,996
Operating in the United States	7,351,982	7,521,121
<i>Properties, Plant and Equipment:</i>		
	Depreciation, Depletion and Amortization Reserves	Net Book Value
<i>Classification</i>	Gross Book Value	Net Book Value
Producing . . .	\$1,436,401,125	\$ 677,010,391
Pipe Line . . .	93,435,117	41,798,846
Manufacturing . .	471,911,490	220,113,990
Marine	86,363,313	32,330,112
Marketing . . .	186,803,956	71,667,046
Motor Transport .	21,210,574	11,829,267
Other	39,720,126	10,776,418
Total	\$2,335,845,701	\$1,065,526,070
	1,270,319,631	1,270,319,631
<i>Prepaid and Deferred Charges</i>	25,077,197	20,882,457
	\$1,855,610,313	\$1,677,848,857

Standard Oil Company of California

LIABILITIES

	December 31	December 31
	1955	1954
<i>Current Liabilities:</i>		
Accounts payable	\$ 141,262,487	\$ 105,959,306
Long term debt due within one year	1,424,680	1,424,680
Accrued interest on long term debt	504,105	496,440
Federal and other taxes based on income (estimated)	57,915,216	58,037,598
Other accrued taxes payable	28,153,454	25,989,817
	<u>229,259,942</u>	<u>191,907,841</u>
 <i>Long Term Debt:</i>		
Standard Oil Company of California:		
1.85% loans from banks due August 1, 1958	50,000,000	50,000,000
Purchase obligation due annually to 1961	2,912,217	3,574,324
Subsidiary Company:		
Salt Lake Pipe Line Company 2% to 3 ³ / ₈ % notes due in varying amounts to 1975	25,650,000	24,912,500
	<u>78,562,217</u>	<u>78,486,824</u>
 <i>Reserve—General Insurance</i>	20,566,933	21,051,073
 <i>Capital Stock and Surplus:</i>		
Capital stock—no par value:		
Shares authorized—40,000,000		
Shares issued—31,612,193 in 1955 and 30,106,851 in 1954 . . .	395,152,412	376,335,637
Capital surplus	401,668,819	300,058,234
Earned surplus	730,399,990	710,009,248
	<u>1,527,221,221</u>	<u>1,386,403,119</u>
	<u>\$1,855,610,313</u>	<u>\$1,677,848,857</u>

NOTES TO FINANCIAL STATEMENTS

Principles of Consolidation

The accounts of all wholly owned subsidiary companies are included in the consolidated financial statements. Items recorded in foreign currencies have been expressed in United States dollars as follows: Current and working assets and liabilities have been converted at rates of exchange in effect at the close of the year, and investments and fixed assets at rates in effect when acquired. Income, costs and expenses have been converted at average rates of exchange during the year, except depreciation, depletion and amortization which have been calculated on the United States dollar cost of properties. Unrealized profits or losses from conversion of items as described above are included in the consolidated statement of income.

Since October 1, 1955 the Company's interest in crude oil produced by Arabian American Oil Company (Aramco) has been purchased by the Company, and a substantial portion thereof resold to the Caltex Group of companies; previously such purchases were made directly by the Caltex Group. Such sales to the Caltex Group have been applied as a credit against purchases in the consolidated statement of income for 1955. Accounts receivable and accounts payable at December 31, 1955 were approximately \$30,000,000 greater than they would have been had the purchases by the Caltex Group been made directly from Aramco.

Companies Not Wholly Owned

The Company's equity in undistributed net income of unconsolidated companies over 50% owned has increased \$4,472,512 since acquisition; its equity in their 1955 net income exceeded dividends received from them during the year by \$1,342,324. The investment in such companies at December 31, 1955 was carried at \$4,286,180 (at or below cost).

The Company's equity in the estimated 1955 net income of companies owned 50% or less operating in the Eastern Hemisphere exceeded dividends from them during the year by \$20,759,297.

Properties, Plant and Equipment

Properties, plant and equipment are carried at values approved by the Directors at organization in 1926, plus subsequent additions at cost (less reserves).

Exploration expenditures resulting in the acquisition or retention of properties are capitalized, while the remainder is charged to expense. Costs of leaseholds which may ultimately prove unproductive are amortized at rates which are based upon past experience. Costs of wells capable of producing are capitalized, and costs of unproductive wells are charged to expense.

Taxes

The liability for Federal and other taxes on 1955 and prior years' income, which may result from the final interpretation of tax laws and regulations, is not presently determinable, but the amount included under current liabilities in the balance sheet at December 31, 1955, together with \$6,000,000 on deposit with the District Director of Internal Revenue, should be sufficient to meet such liability.

No provision has been made for foreign and domestic taxes which may be payable on future distributions from surplus of wholly owned subsidiaries and of companies not wholly owned.

Capital Stock

On October 27, 1955 the Board of Directors declared a dividend payable December 15, 1955 in capital stock of the Company at the rate of one share for each twenty shares held by stockholders of record on November 7, 1955. As a result of the stock dividend, 1,505,342 additional shares were issued.

A charge of \$120,427,360 was made against earned surplus representing \$80 per share for the 1,505,342 shares. Capital stock was credited with \$12.50 per share, or \$18,816,775, and the balance of \$101,610,585 was credited to capital surplus.

Retirement and Stock Plans

At December 31, 1955 the balance of the companies' contributions and related investment income, under various retirement plans, held by trust companies in the form of cash and investments (at cost) amounted to \$121,596,327. Contractual liabilities of the companies at that date were estimated to be approximately \$99,000,000.

During the year a total of \$9,745,108 was charged against income in connection with retirement plans. This amount represented the estimated accrual, including interest, for services during the year of active employees under the plans.

Contractual liabilities of the companies at December 31, 1955 do not include potential liabilities as to employees who had not attained the years of credited service required for vested rights to annuities, since their benefits under the plans may be modified or terminated under certain conditions. (Such potential liabilities are estimated at \$35,000,000 based

on actuarial assumptions as to mortality, turnover, interest, etc.)

The charge against income in 1955 in connection with the stock plan for employees amounted to \$5,566,526.

Contingent Liabilities

At December 31, 1955 the Company had contingent liabilities of \$36,463,000 as guarantor of notes of affiliated companies operating in foreign countries.

The Company and its subsidiaries have certain other contingent liabilities (in addition to those referred to in the accompanying notes relating to "Taxes" and "Retirement and Stock Plans") in respect of litigation, claims, renegotiation, commitments and as guarantor of notes and contracts. Officials of the Company are of the opinion that such contingent liabilities will not result in any significant financial liability in relation to the net assets of the Company and its subsidiaries.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of

Standard Oil Company of California:

In our opinion, the accompanying consolidated balance sheet and the related statements of income and earned surplus, together with the notes thereto, present fairly the position of Standard Oil Company of California and wholly owned subsidiary companies at December 31, 1955 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of such financial statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

San Francisco, March 14, 1956

TEN YEARS OF FINANCIAL AND OPERATING

		1955	1954	1953
<i>Financial</i>	Net Income	\$ 231,138,655	\$ 211,872,447	\$ 189,453,450
	Per Share (On 31,612,193 shares at Dec. 31, 1955) . . .	\$ 7.31	\$ 6.70	\$ 5.99
	Dividends	\$ 90,320,553	\$ 87,064,496	\$ 86,019,576
	Stock (In year declared) and Stock Split	5%	5%	
	Cash Per Share—(On shares outstanding during the year) . .	\$ 3.00	\$ 3.00	\$ 3.00
	—(On 31,612,193 shares at Dec. 31, 1955) . . .	\$ 2.86	\$ 2.75	\$ 2.72
	Sales and Other Operating Revenues	\$1,277,840,419	\$1,113,342,595	\$1,080,425,144
	Total Assets	\$1,855,610,313	\$1,677,848,857	\$1,535,184,526
	Liabilities and Reserve	\$ 328,389,092	\$ 291,445,738	\$ 273,589,358
	Stockholders' Equity—at Book Value	\$1,527,221,221	\$1,386,403,119	\$1,261,595,168
	Per Share (On 31,612,193 shares at Dec. 31, 1955) . . .	\$ 48.31	\$ 43.86	\$ 39.91
	Number of Stockholders	119,793	114,607	112,269
	Working Capital (Net Current Assets)	\$ 283,228,000	\$ 282,223,635	\$ 273,239,698
	Properties, Plant and Equipment (Net)	\$1,270,319,631	\$1,137,855,779	\$1,037,659,406
	Additions to Properties, Plant and Equipment	\$ 275,963,216	\$ 224,460,496	\$ 173,822,128
	Depreciation, Depletion and Amortization	\$ 138,395,335	\$ 118,767,648	\$ 108,114,984
	Eastern Hemisphere Interests*			
	Dividends Received and Other Net Income (before taxes) \$	101,501,743	\$ 108,413,486	\$ 60,827,369
	Company's Equity in Undistributed Net Income for Year \$	20,776,554	\$ 9,461,721	\$ 48,629,242
	Excess of Company's Equity in Net Assets at Book Value			
	Over Investment on Company's Books	\$ 405,760,092	\$ 384,983,538	\$ 375,521,817
<i>Operating</i>	Gross Production of Crude Oil (Barrels)	126,471,357	115,465,657	115,307,843
	Gross Production of Natural Gas Liquids (Barrels) . . .	7,062,197	7,292,424	8,018,482
	Total Gross Production	133,533,554	122,758,081	123,326,325
	Net Production of Crude Oil (Barrels)	111,197,738	101,502,370	102,184,179
	Net Production of Natural Gas Liquids (Barrels) . . .	6,520,837	6,719,416	7,380,046
	Total Net Production	117,718,575	108,221,786	109,564,225
	Purchases of Crude Oil, Excluding Royalty (Barrels) . .	107,755,751	97,607,713	106,667,583
	Refinery Runs of Crude Oil (Barrels)	168,698,278	157,069,992	163,010,634
	Sales of Petroleum Products (Barrels)	179,803,877	158,339,751	157,947,519
	Sales of Crude Oil (Barrels)	69,817,473	54,029,307	59,797,532
	Sales of Natural Gas (1,000 Cu. Ft.)	113,251,785	98,857,643	83,858,856
	Inventories of Crude Oil and Products (Barrels) . . .	48,979,544	53,583,323	48,169,154
	Number of Wells Drilled†—Oil	679	530	438
	Gas	26	17	18
	Dry	117	125	113
	Total	822	672	569
	Producing Oil and Gas Wells‡	8,634	8,288	7,955
	Acreage of Oil and Gas Properties (Net)—United States .	10,707,222	7,034,076	8,192,396
	Acreage of Oil and Gas Properties (Net)—Foreign . . .	31,095,708	27,261,359	24,667,336
	Number of Employees	36,369	35,354	34,940
WESTERN HEMISPHERE	Gross Production of Crude Oil (Barrels)	130,483,546	118,834,333	105,862,197
	Refinery Runs of Crude Oil (Barrels)	84,067,768	80,893,505	73,630,554
	Sales of Petroleum Products (Barrels)	79,243,632	74,309,271	69,355,890
EASTERN HEMISPHERE★	Gross Production of Crude Oil (Barrels)	130,483,546	118,834,333	105,862,197
	Refinery Runs of Crude Oil (Barrels)	84,067,768	80,893,505	73,630,554
	Sales of Petroleum Products (Barrels)	79,243,632	74,309,271	69,355,890
TOTAL WORLD-WIDE	Gross Production of Crude Oil and Natural Gas Liquids (Barrels)	264,017,100	241,592,414	229,188,522
	Refinery Runs of Crude Oil (Barrels)	252,766,046	237,963,497	236,641,188
	Sales of Petroleum Products (Barrels)	259,047,509	232,649,022	227,303,409

† Wholly owned foreign subsidiaries not consolidated.

‡ On basis of Company's net interest in all wells in which it has an equity.

STATISTICS

Standard Oil Company of California and Wholly Owned Subsidiaries

1952	1951	1950	1949	1948	1947	1946
\$ 174,030,499	\$ 173,341,211	\$ 150,804,105	\$ 136,017,835	\$ 161,491,932	\$107,268,575	\$ 66,956,611
\$ 5.51	\$ 5.48	\$ 4.77	\$ 4.30	\$ 5.11	\$ 3.39	\$ 2.12
\$ 86,019,576	\$ 74,532,059	\$ 71,620,489	\$ 54,579,661	\$ 52,015,812	\$ 41,612,650	\$ 29,909,092
	2 for 1 split		5%	5%		
\$ 3.00	\$ 2.60	\$ 5.00	\$ 4.00	\$ 4.00	\$ 3.20	\$ 2.30
\$ 2.72	\$ 2.36	\$ 2.27	\$ 1.73	\$ 1.65	\$ 1.32	\$.95
\$1,015,309,183	\$ 975,378,009	\$ 815,619,774	\$ 742,551,413	\$ 744,826,950	\$537,051,570	\$372,797,407†
\$1,407,198,494	\$1,365,574,023	\$1,232,953,325	\$1,157,703,362	\$1,108,329,832	\$876,185,264†	\$785,467,400†
\$ 249,037,200	\$ 295,423,652	\$ 261,612,106	\$ 265,545,759	\$ 297,610,403	\$166,639,126†	\$139,633,787†
\$1,158,161,294	\$1,070,150,371	\$ 971,341,219	\$ 892,157,603	\$ 810,719,429	\$709,546,138	\$645,833,613
\$ 36.64	\$ 33.85	\$ 30.73	\$ 28.22	\$ 25.65	\$ 22.45	\$ 20.43
109,749	104,857	98,605	94,691	91,247	90,850	89,313
\$ 235,136,136	\$ 227,860,822	\$ 189,925,412	\$ 237,121,201	\$ 209,078,283	\$103,273,784†	\$ 90,373,940†
\$ 977,159,390	\$ 903,492,635	\$ 852,475,966	\$ 772,735,397	\$ 737,583,518	\$637,988,557	\$550,800,590
\$ 173,134,625	\$ 143,450,870	\$ 160,800,692	\$ 123,535,228	\$ 163,544,554	\$141,610,339	\$103,479,534
\$ 98,943,726	\$ 86,764,464	\$ 75,266,439	\$ 75,706,705	\$ 66,103,378	\$ 48,968,790	\$ 41,662,603
\$ 63,107,259	\$ 58,968,783	\$ 47,884,120	\$ 28,500,055	\$ 28,372,655	\$ 13,617,365	—
\$ 48,797,435	\$ 43,508,636	\$ 15,638,340	\$ 36,707,388	\$ 43,821,937	\$ 26,973,458	\$ 21,249,611
\$ 326,892,575	\$ 278,095,140	\$ 231,374,231	\$ 203,561,153	\$ 166,917,609	\$123,030,996	\$ 69,245,986
114,939,389	111,426,595	105,544,906	102,281,654	105,744,494	96,487,141	86,076,571
8,487,923	8,332,537	7,835,752	7,654,297	6,537,084	4,810,494	3,944,701
123,427,312	119,759,132	113,380,658	109,935,951	112,281,578	101,297,635	90,021,272
102,324,013	99,828,523	94,328,612	92,725,769	98,984,688	89,711,905	79,871,615
7,766,424	7,622,818	7,134,647	6,977,229	6,315,896	4,516,053	3,666,586
110,090,437	107,451,341	101,463,259	99,702,998	105,300,584	94,227,958	83,538,201
100,426,017	92,051,859	71,071,051	59,485,111	61,392,572	53,173,289	44,120,105
149,394,855	138,515,189	110,457,378	111,554,922	114,357,782	100,419,302	90,251,860
155,389,175	147,941,128	132,015,903	120,223,445	125,158,407	115,264,553	100,045,785
65,276,576	62,454,867	56,424,028	44,698,001	40,762,966	34,814,322	29,013,501
81,490,535	87,403,369	113,834,252	117,118,776	113,137,874	92,632,760	83,333,510
37,343,103	33,166,131	31,790,618	33,554,437	31,847,195	25,107,386	24,512,212
504	448	412	370	633	433	396
12	12	9	13	19	20	23
173	103	67	70	79	76	57
689	563	488	453	731	529	476
7,190	6,907	6,498	5,679	6,048	5,506	5,142
9,161,782	7,670,213	4,032,434	3,786,653	4,038,228	4,091,019	3,630,517
21,958,105	12,002,935	6,456,752	6,624,713	5,841,766	8,085,640	6,149,001
34,753	32,339	30,671	29,846	31,983	31,252	28,222
98,969,058	89,061,491	65,546,693	57,868,380	48,325,189	31,660,849	33,976,784
65,653,850	60,182,070	45,762,083	42,087,263	40,893,417	36,074,496	31,681,648
61,887,419	55,503,182	42,830,039	42,771,070	38,203,335	43,667,891	19,954,159
222,396,370	208,820,623	178,927,351	167,804,331	160,606,767	132,958,484	123,998,056
215,048,705	198,697,259	156,219,461	153,642,185	155,251,199	136,493,798	121,933,508
217,276,594	203,444,310	174,845,942	162,994,515	163,361,742	158,932,444	119,999,944

* Represents wholly owned subsidiaries and affiliates (owned less than 100%) in Eastern Hemisphere.

★ Proportion of operations in Eastern Hemisphere represented by the Company's stock interest in affiliates and subsidiaries.

FIGURES IN PARENTHESES ARE COMPANY VOTING INTEREST (%)

PRINCIPAL AREAS OF OPERATION

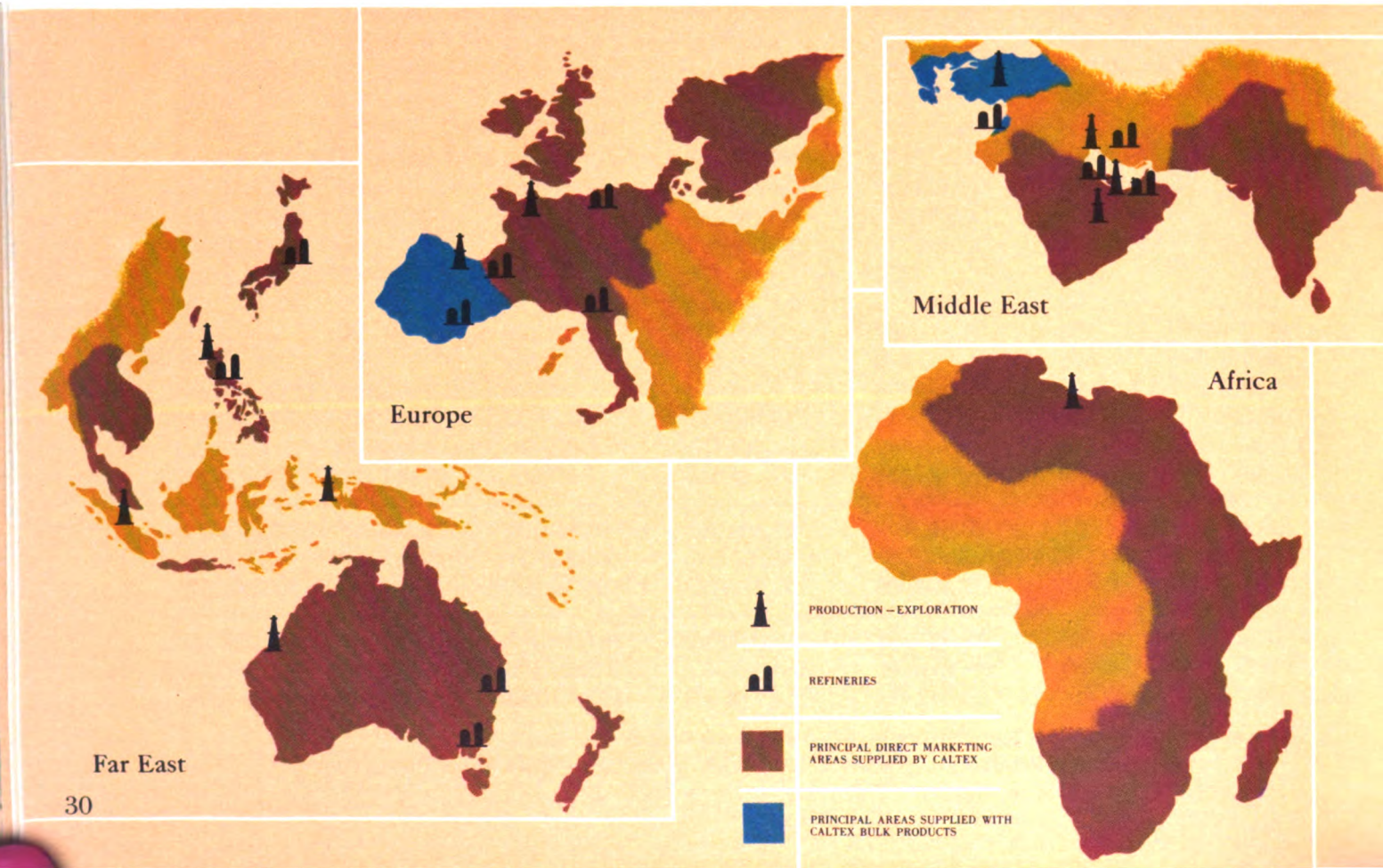
United States

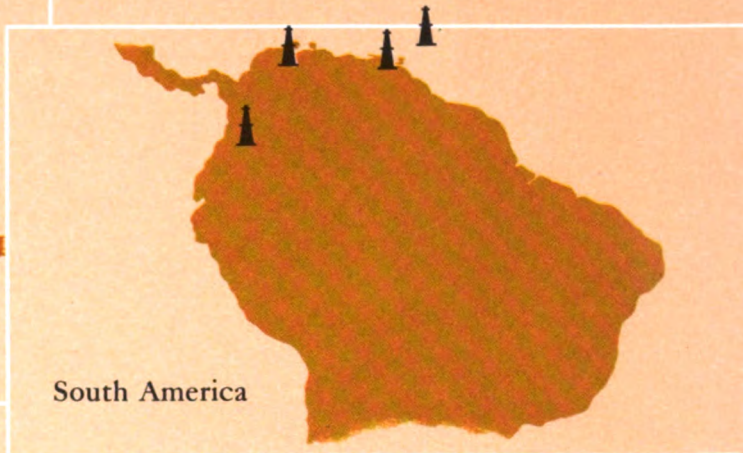
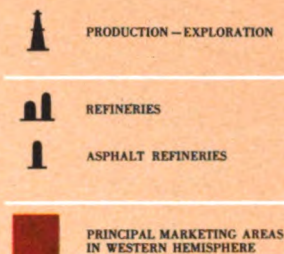
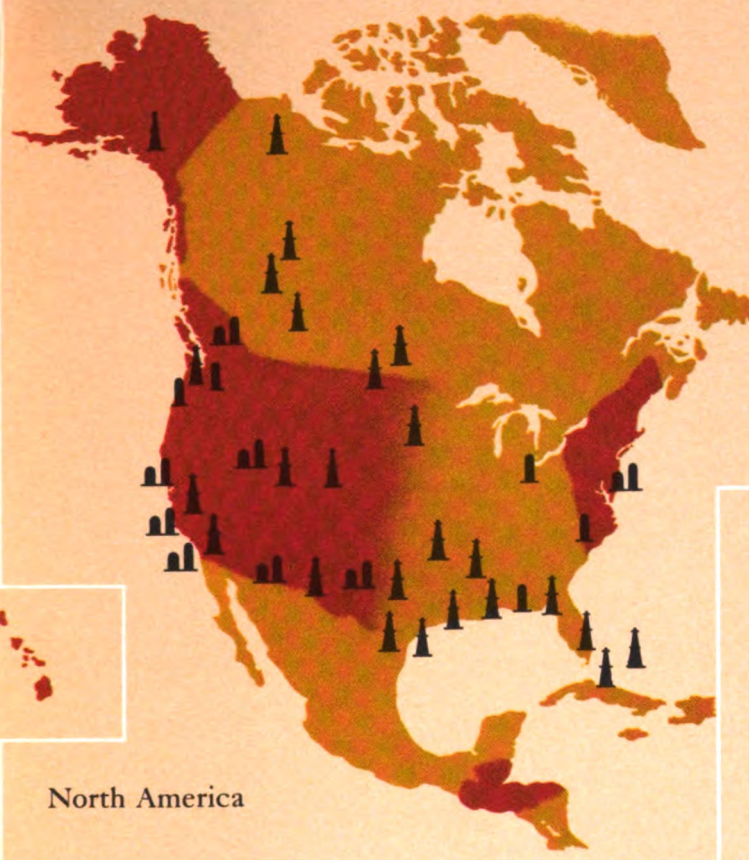
STANDARD OIL COMPANY OF CALIFORNIA	Exploration, Producing, Transporting, Refining and Marketing
AMERICAN BITUMULS & ASPHALT COMPANY (100)	Refining and Marketing Asphalts and Asphalt Emulsions
CALIFORNIA COMMERCIAL COMPANY, INC. (100)	Service Company
CALIFORNIA RESEARCH CORPORATION (100)	Research and Development
CALIFORNIA SPRAY-CHEMICAL CORPORATION (100)	Agricultural Sprays
CALIFORNIA TANKER COMPANY (100)	Marine Transportation and Marketing
CHEVRON OIL COMPANY (100)	Geophysical Surveys
LOMITA GASOLINE COMPANY (100)	Natural Gasoline
MURVALE OIL COMPANY (100)	Producing
ORONITE CHEMICAL COMPANY (100)	Chemicals
PACIFIC OIL COMPANY (100)	Shale Lands
PASOTEX PETROLEUM COMPANY (100)	Exploration, Producing and Marketing
PASOTEX PIPE LINE COMPANY (100)	Oil Transportation
SALT LAKE PIPE LINE COMPANY (100)	Oil Transportation
SALT LAKE REFINING COMPANY (100)	Refining
SOUTH CENTRAL PETROLEUM CORPORATION (100)	Producing
STANDARD GAS COMPANY (100)	Oil and Gas Transportation
STANDARD OIL COMPANY OF TEXAS (100)	Exploration, Producing, Refining and Marketing
STANDARD PIPE LINE COMPANY (100)	Oil Transportation
STANDARD STATIONS, INC. (100)	Service Station Operation
THE CALIFORNIA COMPANY (100)	Exploration, Producing and Marketing
THE CALIFORNIA OIL COMPANY (100)	Refining and Marketing
HUNTINGTON BEACH COMPANY (63.64)	Oil Royalties and Land
COL-TEX REFINING COMPANY (62.50)	Producing, Refining and Marketing
AMERICAN GILSONITE COMPANY (50)	Gilsonite
POCAHONTAS TERMINAL CORPORATION (50)	Oil Terminal
STANDARD OIL COMPANY OF BRITISH COLUMBIA LIMITED (100)	Refining and Marketing
THE CALIFORNIA STANDARD COMPANY (100)	Exploration and Producing

California, Washington, Oregon, Arizona, Nevada, Idaho, Utah, Hawaii and Alaska
United States and Puerto Rico
New York and Washington, D.C.
California
United States and Foreign
United States and Foreign
United States and Canada
California
California
United States and Foreign
Colorado
Oklahoma
Texas
Utah, Colorado, Idaho, New Mexico, Oregon, Texas and Washington
Utah
Kentucky
California
Texas and New Mexico
California
Seven Western States
Rocky Mountain, Central, Eastern and Southeastern States
Eastern United States
California
Texas
Utah and Colorado
Portland, Maine
Western Canada
Western Canada

Canada

STANDARD OIL COMPANY OF CALIFORNIA AND





North America

South America

SUBSIDIARY AND AFFILIATED COMPANIES

FIGURES IN PARENTHESES ARE COMPANY VOTING INTEREST (%)

PRINCIPAL AREAS OF OPERATION

Central and South America

ASFALTOS CALIFORNIA S. A. (99.99)	Asphalt Products
CALIFORNIA ECUADOR PETROLEUM COMPANY (100)	Exploration
CALIFORNIA EXPLORATION COMPANY (100)	Exploration Investigations
COMPAÑIA COMERCIAL CALIFORNIA, S. A. (96)	Service and Marketing
COMPAÑIA PETROLERA CALIFORNIA, LTD. (100)	Marketing
RICHMOND EXPLORATION COMPANY (100)	Exploration and Producing
RICHMOND OIL COMPANY (100)	Exploration
RICHMOND PETROLEUM COMPANY OF COLOMBIA (100)	Exploration

*Brazil
Ecuador
Foreign
Mexico
Guatemala, El Salvador and Canal Zone
Venezuela
Peru
Colombia*

Caribbean Area

BAHAMA CALIFORNIA OIL COMPANY LIMITED (100)	Exploration
CUBA CALIFORNIA OIL COMPANY (100)	Exploration
DOMINION OIL LIMITED (100)	Exploration

*Bahama Islands
Cuba
Trinidad*

Middle East and Far East

ARABIAN AMERICAN OIL COMPANY (30)	Exploration, Producing and Refining
TRANS-ARABIAN PIPE LINE COMPANY (30)	Oil Transportation
THE BAHRAIN PETROLEUM COMPANY LIMITED (50)	Producing and Refining
N. V. CALTEX PACIFIC PETROLEUM MAATSCHAPPIJ (50)	Exploration and Producing
CALTEX (IRAN) LIMITED (50)	Marketing
FAR PACIFIC INVESTMENTS, INC. (50)	Investments
IRAN CALIFORNIA OIL COMPANY (100)	Owns Interest in Iranian Oil Operations

*Saudi Arabia
Middle East
Bahrain Island (Persian Gulf)
Indonesia
Foreign
Netherlands New Guinea
Iran*

Other Foreign Areas

CALIFORNIA ASIATIC OIL COMPANY (100)	Exploration and Marketing
CALIFORNIA CRUDE SALES COMPANY (100)	Crude Marketing
CALIFORNIA TRANSPORT CORPORATION (100)	Marine Transportation and Marketing
INTERNATIONAL BITUMEN EMULSIONS CORPORATION (100)	Asphalt Emulsions

*Foreign
Foreign
Foreign
North and South America and Pacific area
Eastern Hemisphere
Foreign
England and Western Europe
Foreign
Foreign Commerce
Western Australia
Eastern Hemisphere
Subsidiaries conduct marine transportation, exploration, refining and marketing business serving Eastern Hemisphere except Russia, China, Central Europe and portions of West Africa.*

AMERICAN OVERSEAS PETROLEUM LIMITED (50)	Exploration
CALTEX OCEANIC LIMITED (50)	Marketing
CALTEX OIL PRODUCTS COMPANY (50)	Marketing and Investments
CALTEX SERVICES LIMITED (50)	Service Company
MID-EAST CRUDE SALES COMPANY LIMITED (50)	Crude Marketing
OVERSEAS TANKSHIP CORPORATION (50)	Marine Transportation
WEST AUSTRALIAN PETROLEUM PTY. LIMITED (40)	Exploration
CALIFORNIA TEXAS OIL COMPANY, LIMITED (50)	Management of Foreign Affiliates
CALIFORNIA TEXAS CORPORATION (50)	Owns Stocks

ANNUAL MEETING OF STOCKHOLDERS . . . FIRST THURSDAY IN MAY, AT THE COMPANY'S
PRINCIPAL BUSINESS OFFICE, STANDARD OIL BUILDING, 225 BUSH STREET, SAN FRANCISCO.

TRANSFER AGENTS: Standard Oil Company of California, Standard Oil Building, San
Francisco 20, California; The Chase Manhattan Bank, 11 Broad Street, New York 15, N. Y.

REGISTRARS: Crocker-Anglo National Bank, 1 Sansome Street, San Francisco 20,
California; The First National City Bank of New York, 2 Wall Street, New York 15, N. Y.

